Connecticut State Medical Society
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Connecticut state Medical Society Testimony

Senate Bill 51 An Act Concerning Machine-Readable Medical Benefits Cards

February 11, 2010

Senator Crisco, Representative Fontana and members of the Insurance and Real Estate Committee, my name is Ken Ferrucci, Vice President of Public Policy and Government Affairs for the Connecticut State Medical Society (CSMS). On behalf of our over 7,000 members, thank you for the opportunity to submit this testimony to you today on **Senate Bill 51 An Act Concerning Machine-Readable Medical Benefits Cards.**

CSMS and its physician members have been at the forefront of efforts to implement and support the use of Health Information Technology (HIT). At the local, state and national level, CSMS has promoted HIT adoption by physicians and in fact has received grants tied to providing physicians with new technological approaches to patient management and patient medical care.

The implementation of Machine-Readable Medical Benefits Cards offers tremendous potential for physicians and their patients. The ability to understand coverage and payment responsibilities at the time of service will ultimately reduce administrative costs and eliminate expenses throughout the entire healthcare system. However, while CSMS supports the proliferation of such systems we must raise concerns over the cost burden that will be placed on physicians to meet a potentially unattainable timeframe for implementation

Currently, CSMS works with various entities, including companies that offer swipe card technology to physicians, for the rapid transmission, submission and receipt of information regarding patient care, patient eligibility and patient claims. However, there are major hurdles or stumbling blocks that presently exist tied to this transformation, many of which are outside of the physician's control. Therefore simply mandating physicians adopt or adapt certain technology is problematic.

At this time, no standardization exists among the insurers, unlike the banking industry. How information is transmitted and what is transmitted varies significantly from one insurer and payor to the next. HIPAA and other national standards have greatly diminished the variability. However, there is still not enough standardization for one system or one approach to work across various insurer systems. Requiring physicians to purchase technology that is often very

expensive, recognizing that it may not work for all transactions, or that multiple systems may be required, is premature until there is sufficient standardization of the marketplace.

Though for the most part there is connectivity, limited compatibility exists for this technology. What works for one practice may not work for another and it certainly may not work for the various intermediaries interacting on behalf of physicians, payors and health insurers. Today, for the most part, there is not a direct link between the physician's office and the health insurer. Rather, the physician may use practice management and billing software, a billing company, and/or a clearinghouse that then connects to the insurer's clearinghouse and/or portal provider before any information can be exchange. Then the information is recoded, filtered or transferred into language that the various systems can understand. Furthermore, once standardization exists, insurers must be required to authorize or approve the standard form of benefit review and claims payment.

Until all of these issues of connectivity and compatibility are addressed within the physician's office, within the health insurers processing systems and across these systems, mandating implementation is unworkable. At this point we should seize the opportunity to create standards and approaches for the successful adoption of systems that look to increase efficiencies of claims processing and payment and reduce the potential for medical errors.

We look forward to working with this committee on Senate Bill 51.